

AMENDED IN ASSEMBLY JUNE 16, 2009

AMENDED IN SENATE MAY 20, 2009

AMENDED IN SENATE APRIL 14, 2009

SENATE BILL

No. 156

Introduced by Senator Wright

February 12, 2009

An act to add Section 1879.1 to the Insurance Code, relating to insurance fraud.

LEGISLATIVE COUNSEL'S DIGEST

SB 156, as amended, Wright. Insurance: fraud prevention and detection.

Existing law generally provides for the prevention, detection, and investigation of insurance fraud. ~~Under existing law, Existing law requires~~ insurers ~~are required~~ to disclose to an authorized governmental agency information relative to incidents of workers' compensation fraud, as specified.

This bill would authorize the Department of Insurance ~~or a district attorney~~ to convene meetings with ~~an insurance company~~ *insurance companies* to discuss a ~~specific insurance fraud~~ and would provide that ~~any person sharing information pursuant to that authorization would be protected from civil liability~~ *specific information concerning suspected, anticipated, or completed acts of insurance fraud and would protect a person sharing information pursuant to that authorization from civil liability*, as specified.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature hereby finds and declares all of
2 the following:

3 (a) The California Department of Insurance regulates more than
4 123 billion dollars (\$123,000,000,000) of insurance business
5 annually. Workers' compensation business accounted for 11.5
6 billion dollars (\$11,500,000,000) of that business as of 2006.

7 (b) A report issued by the Department of Insurance Advisory
8 Task Force in May of 2008 estimated that insurance fraud of
9 regulated businesses amounts to costs of 15 billion dollars
10 (\$15,000,000,000) per year, costing each resident an average of
11 more than five hundred dollars (\$500) per year.

12 (c) Perpetrators often defraud more than one insurance program.
13 An effective antifraud effort requires greater cooperation,
14 coordination, and communication of impacted insurers, services,
15 and regulating agencies.

16 (d) It is the intent of the Legislature to enact statutory provisions
17 to provide law enforcement regulators and the regulated community
18 additional insurance antifraud tools and protections.

19 SEC. 2. Section 1879.1 is added to the Insurance Code, to read:

20 1879.1. ~~The commissioner, commissioner or his or her~~
21 ~~designated deputy commissioner, or a district attorney, or his or~~
22 ~~her designated deputy district attorney, may convene meetings~~
23 ~~with representatives of an insurance company to discuss a specific~~
24 ~~insurance fraud. Information shared during the course of those~~
25 ~~meetings that is related to a specific insurance fraud shall be~~
26 ~~protected by the provisions of Section 1873.2: commissioner may~~
27 ~~convene meetings with representatives of insurance companies to~~
28 ~~discuss specific information concerning suspected, anticipated, or~~
29 ~~completed acts of insurance fraud. Information shared during the~~
30 ~~course of those meetings that is related to suspected, anticipated,~~
31 ~~or completed acts of insurance fraud, in the absence of fraud or~~
32 ~~malice, shall not make a person subject to civil liability for libel,~~
33 ~~slander, or any other relevant cause of action.~~